LAWN & GARDEN

$100-$150 Bracket to Get More Stress

Buyers See Gas Models Continuing to Ignite Grill Area

Nationwide DSN Report

Discounters expect gas grills to continue their sales surge and be the leading contributors to 20%-30% volume gains for the grill category as a whole in 1985.

After experimenting this year with gas models ranging from $88-$300, buyers will be focusing their mix more heavily on the $100-$150 range, which showed the greatest consumer acceptance this past season. These units, they said, have the most popular features such as carts, redwood trays, dual burners, porcelainized grids, up-front controls and spark ignitors.

Costlier units bearing temperature gauges, windows and massive cooking grids generate less consistent demand and will be pared back at some chains, buyers said.

Smaller units which retail at less than $100 will remain a stable part of the mix because these are often the first choice of shoppers who step up from charcoal models, they added.

Gas grills moved to the forefront this year as prices of charcoal briquets rose to the $7 range for a 20-lb. bag and high-end charcoal grills rose to $70—perilously close to the bottom end of gas unit prices. On top of that, shoppers are opting for gas grills' greater convenience, faster operation and "status" features, said buyers.

Suppliers were pressed severely to meet gas grill demand in 1984, said some buyers who experienced shortages and will commit further in advance for 1985. "Manufacturers weren't ready for the demand," said Danner's buyer Richard Wykoff. "People didn't spend $150 on a gas grill during the recession, but they are now."

While discounters expand their gas grill assortments, they're maintaining on paring slightly their charcoal grill sku's. As they do this, many are adding charcoal water smokers to their assortments because they've performed strongly in southern markets, particularly Texas, buyers said.

Stronger Impact Eyed

By refining their mixes, discounters are eying improvement over their current 35% share of grill sales nationwide, which includes 20% of gas model volume, 41% of charcoal grill sales and 19% of electric model sales, according to a recent Barbecue Industry Association report.

Yet Richway buyer Perry Reynolds cited disappointment with his chain's gas and charcoal grill performance in 1984 because "sales come from market penetration. We're sharing the business with more retailers than two and three years ago, and they're into it more broadly than us."

To boost profits in the grill sales area—which already sports 30%-35% gross margins daily and 20%-25% on promotions—discounters including ALCO and Heck's will likely begin merchandising gas grill replacement parts in 1985.

"There have been enough gas grills sold the past 10 years to make this a viable business," said Heck's buyer Jim Myles. Chain merchandising executives said they won't be promotional on grill parts, that they'll seek to maintain 40% margins every day.

At K mart, four sku's of multifeatured pedestal and cart gas grills will be maintained next spring, along with a small tabletop gas unit that provides a $35 opening price point. K mart's good-better-best approach ranges up to $200 every day, in increments of $25-$30, and 25% off on promotion.

"Consumers move away from promotional price points make me believe gas grill volume will soon overtake that of charcoal units," said buyer Donald Bratt.

Tying image to grills advertised in its flyers, K mart has begun using larger cuts with lifestyle pictures. It's also deceased emphasis on accessories, particularly for gas units because so many are included in step-up models, Bratt said.

To gain price advantages in 1985, Bratt will scout the Orient for possible direct importing sources this fall. He's also considering the addition of smaller grills to his mix because "you don't need a large cooking area unless you have a large family or a lot of guests," he said.

K mart's preferred layout of 52½ ft. this season included eight sku's of charcoal grills and an electric tabletop model—which is meant to appeal to apartment dwellers and those living in areas where local restrictions ban the use of propane.

Not Desirable

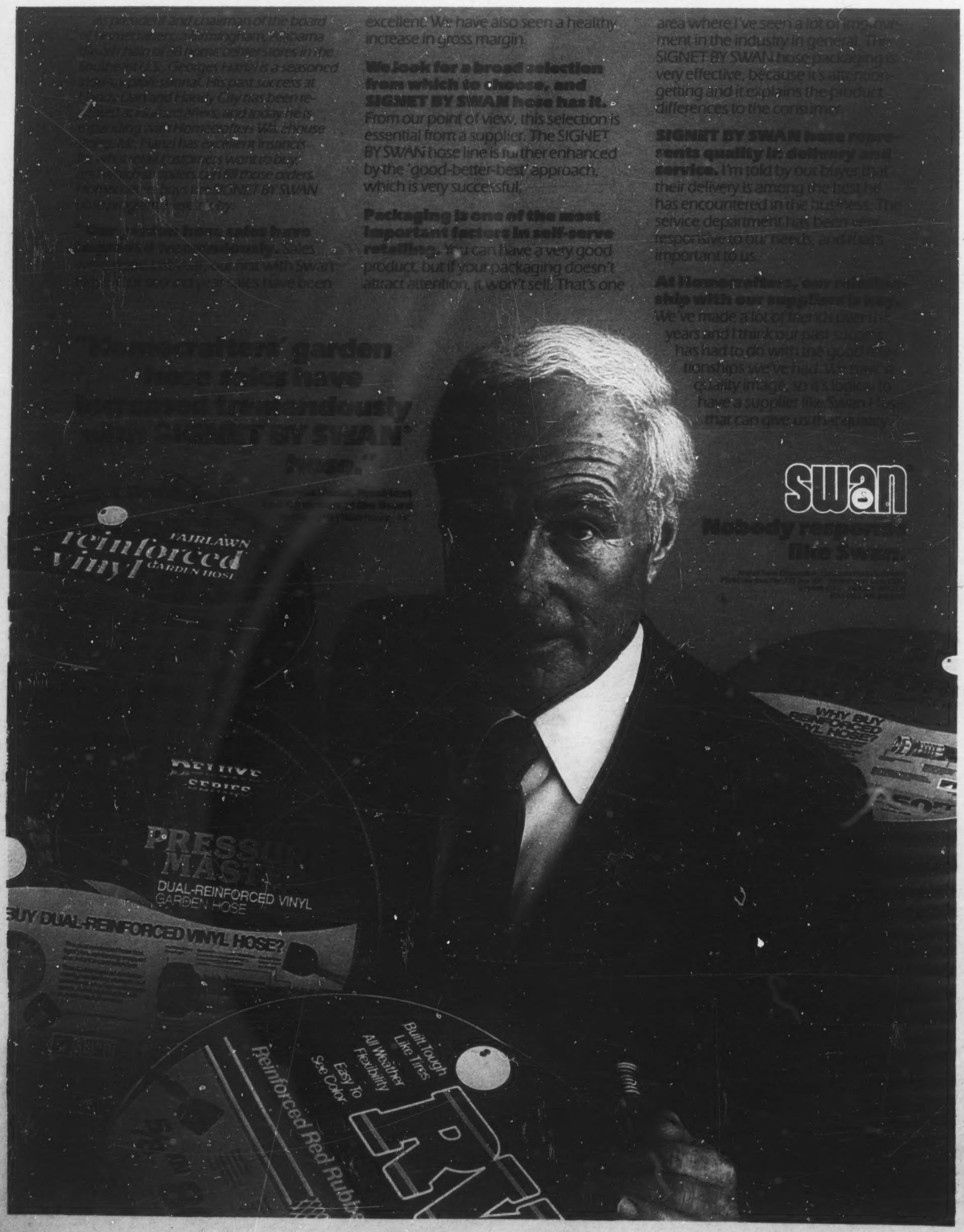
After a test this season revealed pedestal electric models to be weak performers even in these municipalities, Bratt decided he'll likely add another electric tabletop model to his mix in 1985.

The few changes planned by Richway in 1985 include the addition of a step-up tabletop gas grill, and replacement of a $299 gas grill with a model in the fast-turning $100-$150 range.

Richway devotes 16 ft. to gas grill displays, not counting carton stock, and 12-16 ft. to charcoal grills and accessories, depending on store size. Department footage, as well as its promotional stance which emphasizes step-up models at $20 off their everyday price, are expected to be maintained next year, said Reynolds.

Its mix this season included six gas units, from a $30 tabletop model, to four full-size grills at $100-$200 every day and the $299 test model. Charcoal grills started at under $15 and ranged upward to a Weber 22½-in. grill at $69, which Reynolds flatly called "too expensive."

ALCO, which pared charcoal grill sku's from 10 to six in 1984, will trim to five next year, including a water smoker—priced from $5-$55.



Barbecue Slice Dips at Discounters

Type of outlet	1977	1983
Discount store	39%	35%
Department store	21	11
Hardware store	14	12
Drug store	4	5
Grocery/ supermarket	3	3
Gas station	3	—
LP gas dealer	—	4
Catalog chain	—	9
Home center	—	4
Cataloger	—	4
Other	12	12

Source: Barbecue Industry Assn.

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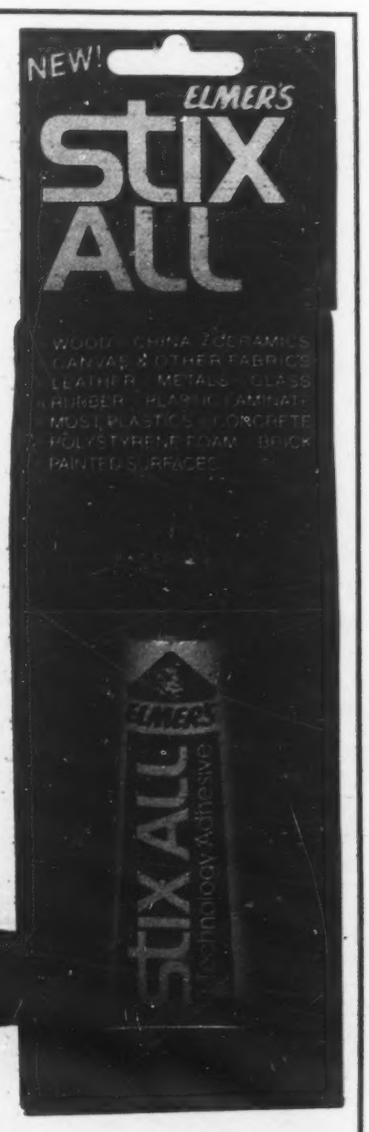

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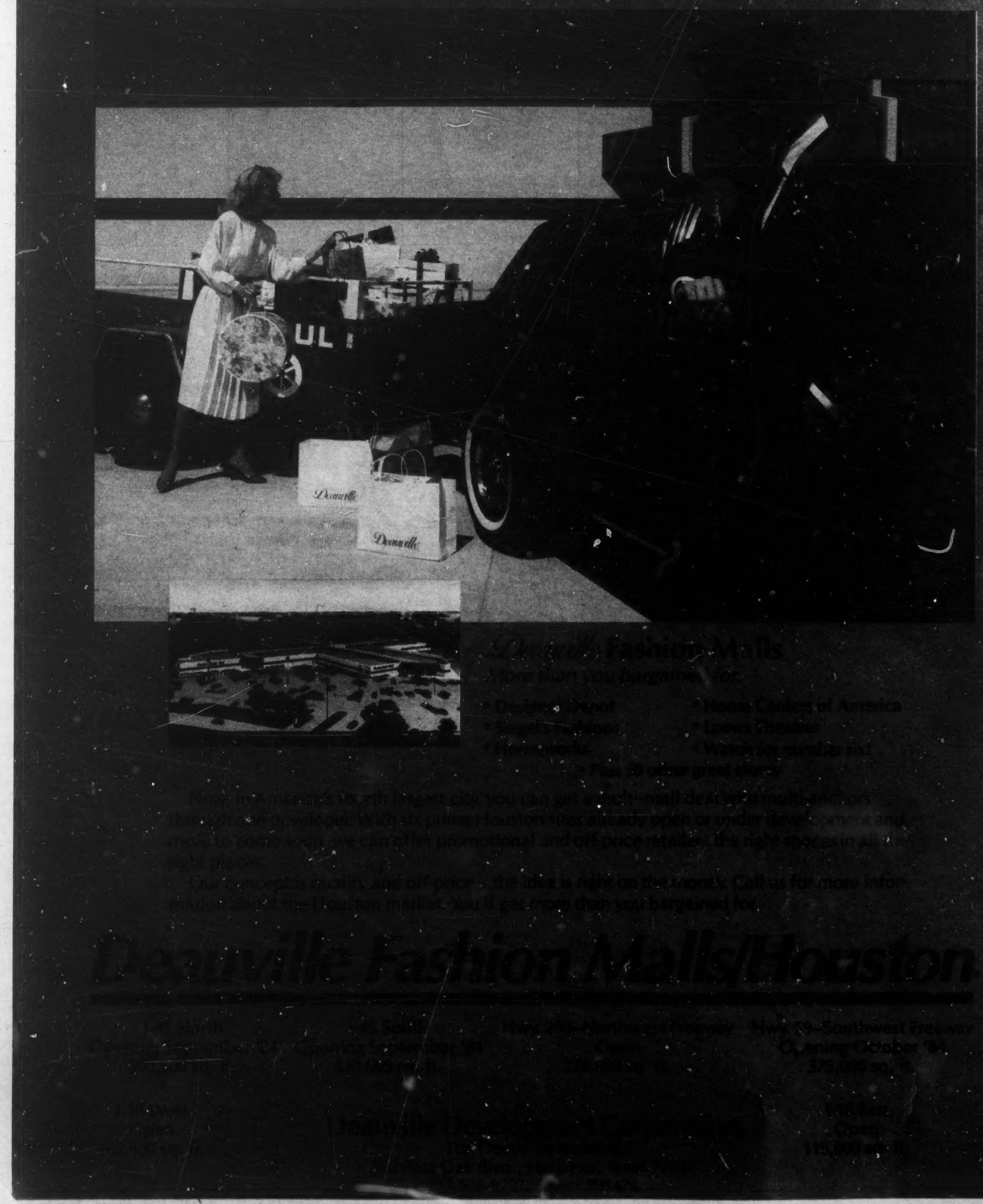

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Deauville Fashion Malls/Houston

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Opening October '84
375,000 sq. ft.

Hwy. 290—Northwest Freeway
Open
295,000 sq. ft.

I-45 South
Opening September '84
300,000 sq. ft.

Hwy. 59—Southwest Freeway
Opening
115,000 sq. ft.

1st in Sales

(Continued from page 23)

about half the sporting goods outlet at $32.53.

In the case of sports where equipment must be personally fitted to the buyer, pro shops accounted for the greatest share of overall business.

In golf clubs, bowling balls, cross country and water skis, pro shops accounted for at least 30% of consumer purchases last year.

Purchases of exercise equipment, expected to generate over $1.2 billion in sales this year, were split among the three major sporting goods retailing segments last year, according to the survey.

Of the exercise equipment categories charted, discounters were the leading retailers in two categories: rowing machines and jogging/mini-trampolines. Department stores led in multipurpose home gym sets and stationary exercise bikes, while most gravity inversion equipment moved out of sporting goods stores last year.

The home gym segment, $192 million in sales last year, and exercise bikes, last year's leader with $274.5 million in volume, continue to be the hottest categories in the industry. Department stores were shopped at over 40% for both items: 47.2% for the home gyms and 41.2% for the bikes. Discount stores had a 23.2% share in home gyms and a 22.2% portion of exercise bike sales.

The average price at department stores for the exercise bikes was slightly higher at $102.45 compared to discounters' average price of $84.26. In home gyms, discount chains had a slightly higher average selling price at $229 compared with department stores' average of $216.32.

Sporting goods apparel was purchased primarily in department stores last year, with the retail segment leading the way in warm-up suits, 47.4%; tennis wear, 35.8%; sweatshirts, 33.3%; leotards, 51.6% and an overwhelming 58.8% share in bathing suits. Except in the case of sweatshirts, where discounters saw a 32.8% share, no other retailer approached department stores apparel dominance.

State Laws

(Continued from page 38)

ular wages and vacation pay separately.

WORKERS' COMPENSATION

Connecticut

P.A. 84-200, Laws 1984, effective Oct. 1, 1984, prohibits employers from discharging or discriminating against employees who file workers' compensation claims.

HB4576, effective Oct. 1, 1984, provides for the payment of 6% per year interest on a workers' compensation award when the award was appealed by the employer or his insurer and the employer or insurer loses the appeal. The interest is paid on the amount of the award not paid to the claimant during pendency of the appeal.

Virginia

HB804, now in effect, increases to 60 days from the date of an award or after the receipt of notice the time in which an appeal may be taken from the decision of the Industrial Commission. It also provides that notice of the award may be sent by certified as well as registered mail.

Brennan: T.G. & Y. Turnaround 'Difficult, Achievable'

(Continued from page 1)

to look at the date Bill Elwood was brought in—he's the vp, MIS—which was late in 1983, and go forward from there.

DSN: How does this compare to other turnarounds you've been involved with?
Brennan: It's as difficult as any I've ever experienced—but it's very achievable.

DSN: Why do you keep getting involved with projects like this?
Brennan: People keep asking me that. The fun of it, in all honesty, is when it starts to turn. It's a very exciting experience; but getting there is very difficult. There's nothing romantic about a turnaround. It's just issue after issue after issue . . . and going back again and again and again . . . getting one issue behind you and then going on to the next one. It takes an unusual group of people to effect a turnaround.

DSN: Can you see it happening? Or is it something you only know with hindsight?
Brennan: Yes, I think it's possible to experience it. You feel the momentum build; you see it in the people. Which is something we're focusing on here. To experience the small wins.

In fact, when it happens, it's almost anticlimatic. By the time it happens, you've decided already that it's going to, then it's just a matter of when the numbers start to leverage.

DSN: Is it starting to happen at T.G. & Y.?
Brennan: Yes. I think there's a window of opportunity—about six months—when people in the organization have to see some discernible progress. It's why you take some stores and just do the fundamental things like getting them in stock, and having merchandise on hand when the customer comes. That's what we did in Wichita.

Then people in the stores can look the customer in the eye because they know they're getting support from the central organization. Their attitude, how they feel about what's happening, will make it or break it for you.

DSN: What gains have you seen so far? And are they just from improved efficiency or are they real sales gains?
Brennan: Comp stores were up over 8% in the first half. That's not spectacular, but it's certainly a positive sign. Most of it is probably coming just from being in stock—not from markdowns.

We implemented a never-out-of-stock program in the early spring which has also been positive to margins. Margins have improved over last year by approximately one point. Certainly, there is some margin erosion as you take markdowns on old lines and introduce new categories.

DSN: What is the status of the AIM for the best stores?
Brennan: They will become part of the T.G. & Y. discount store operation from both a merchandising and operational point of view.

DSN: Will their names be changed?
Brennan: Yes, sometime within the next six months. We think there is only one contemporary discount format for us to use. Each of those 13 sites will also be analyzed relative to profitability.

DSN: There have been many other turnarounds effected without a wholesale change in personnel. Why has this happened here?
Brennan: I agree. When I went to Sav-A-Stop I don't think I made more than three changes in management. T.G. & Y. was really on a second turnaround group when I got here.

To assume there aren't good people in an organization of this size is naive. There are good people in every organization. If you don't use the existing talent that's been with the company and work closely with them, then new management won't understand the business well enough.

We believe, particularly in the field organization and in the administrative area, that we have some very valuable talent.

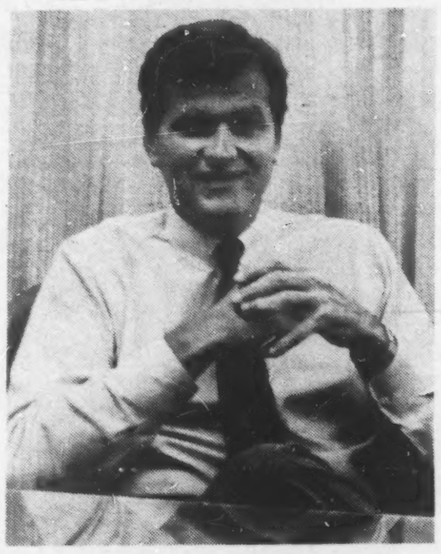
I also think we now have a great senior-level organization. Rusthoven, Kazelman, McKitrick who we brought in from K mart. Also, some financial people who are out of Household Merchandising and other companies.

DSN: After so much turmoil, was [former president] John Herron's departure disruptive? Will it prompt other resignations?
Brennan: I don't think so. I appreciate the efforts he made, and there certainly wasn't a difference in our strategies for the company that prompted the departure, but it was a mutual decision.

No, I don't think there will be more executives leaving beyond Herron and Mike Scotto, the marketing executive, who also left. Ted Kazelman has since become executive vp, marketing and merchandising.

DSN: What's T.G. & Y.'s identity in the marketplace today?
Brennan: I think T.G. & Y. is perceived to be a convenient, well-located store that offers a variety of merchandise.

We believe that by focusing



"The AIM for the best stores will become part of T.G. & Y. . . . Their name will be changed sometime within the next six months."—Brennan.

on a variety of merchandise categories in a dominant way, we can take advantage of those locations and customer shopping frequency and be looked at as a contemporary discounter.

DSN: Are you talking about becoming a specialty store?
Brennan: No, a convenience orientation is different. We are analyzing what we believe will be growth categories in the 80's, and developing those plans right now. We believe the customer will remember us and continue to shop us for our hard lines categories. The whole home products area—soft home, domestics and housewares—offers us a future opportunity.

DSN: What will make you different from anyone else in the market?
Brennan: What separates the winners from the losers is having people with the talent to develop the merchandise assortment.

We've brought in a corporate marketing planner, Norm McMillan, who's working with a group of people at T.G. & Y. to really focus on merchandise opportunities. He was deeply involved with the Target and Montgomery Ward turnarounds.

It's possible for stores that people have written off historically to be brought back with the right merchandise mix and a live advertising program.

The customer already likes our locations and is currently making purchases in our stores. By offering her an improved mix and brand name dominance, she will continue to come back to our stores.

DSN: Who is your customer today?
Brennan: Demographically, our customer isn't significantly different from the one shopping K mart, Wal-Mart or even a Target. The customer base may be slightly older, but it's the merchandise—particularly convenience-type items—they're shopping us for.

We think we can be a competitive retailer in a contemporary discount store. And we will drive the chain with a strong promotional program on wanted items.

We think we can offer a value through our better buying—taking advantage of the strong buying organization we've been able to install.

DSN: But now you have a buying group that doesn't have a collective history. Also, you don't have a lot of merchandise tracking systems. How do they know who to buy to?
Brennan: Again, our customer demographics are very similar to those of our major competitors. We've told our buyers, "Focus on these merchandise categories and buy them in volume, for a company this size." We think we can lower our costs substantially and bring customers in.

Historically, we've not been perceived as being good strong negotiators and selectors of merchandise. That's a great opportunity as far as I'm concerned. I feel that can be leveraged through into retail prices.

DSN: Can you put a dollar amount on that?
Brennan: I would rather not. But certainly, it's significant.

We feel we're [Household Merchandising] a $5.3 billion company with a 4,000-unit store base that hasn't taken advantage of our leverage—and there are a lot of similarities in our companies: they all sell high-volume, small-ticket merchandise. And, we have common vendors in many areas.

We're also looking to streamline our whole distribution system.

DSN: What kind of systems support do your buyers have today?
Brennan: We believe we have enough data to run our stores right now. Thirty-one per cent of T.G. & Y.'s total volume is represented by POS-equipped stores. The percentage is higher for the discount stores. We also have POS equipment that we now own that might represent another 10% of our volume. It's just a matter of implementing, installing that equipment to get it on line.

That's not a high percentage, but if the stores are strategically located, over 30% POS gives you a base from which to work in terms of replenishment and understanding the mix.

DSN: Will you continue operating in your existing trading areas?
Brennan: We currently operate just under 800 stores, 550 of which are discount stores, in 27 states, with the bulk of our locations in 10 states.

We have very favorable leases on our stores and we are looking at each of them relative to the profit on the existing lease vs. a new lease. We are closing nonprofitable stores, regardless of size, and we have been doing that for the last six months.

DSN: We have heard your California stores are for sale.
Brennan: I have heard those rumors also. There haven't been any negotiations for the California stores at all. There are about 100 stores out there, 22 of which are discount stores.

One thing that's bothered me is that two of our competitors have been telling our people [we're leaving California] as a way to recruit, because there hasn't been any discussion with anybody about selling those stores. We are analyzing each market's profitability within the chain—but those reports were totally inaccurate.

DSN: How many stores do you plan to have in operation next year?
Brennan: The number will be down slightly but not significantly. We will open some units and relocate or close others. The number will remain fairly constant.

DSN: How will you continue to handle the discrepancies both in size and merchandise assortment between your discount and variety stores?
Brennan: Operationally and merchandisingwise we're separating them. We've separated the field staff and they are working closely with the buying organization on merchandise assortments relative to those types of stores.

The merchandising is one organization; it will not become two.

Our heritage is in the variety stores and so we are allowing those involved in that business to focus on it. We will continue to stay in the 20,000-sq.-ft.-and-under variety store business, so long as it continues to be a strong contributor to our profitability.

In our discount stores we are developing two basic formats: 40,000 and 60,000 sq. ft. They're two different configurations and departmental emphasis. We believe we can merchandise the 40 to the 60 because that's where the bulk of our volume comes from. Assortment breadth, not varying departments, would be the difference. We're dealing under one common advertising program, and one basic purchasing mix as well.

Sporting Goods Chains on Way to $1 Billion'84

(Continued from page 2)

"We've only been on the West Coast for the last year and a half and we've been very successful. We'll be making a major play in Los Angeles," said Mike Fitzgerald, vp, merchandising for the chain. Fitzgerald, however, would not reveal the number of West Coast debuts on tap.

Sportmart, with estimated sales of $90 million for 1983, is a bit different than the average sporting goods outlet. Taking a page from the successful Toys "R" Us blueprint, Sportmart dominates its two markets by its size and by offering everyday low pricing.

The full-service stores have between 35,000 and 40,000 sq. ft. of selling space, easily dwarfing the industry average of 15,000 to 20,000 sq. ft. The chain never runs a sale, choosing instead to offer everyday sharpened prices. The discounts vary from category to category, according to Fitzgerald, but he emphasized the chain is competitive with any retailers in their markets.

That is also the stance taken by Michigan Sporting Goods, the 16-unit Grand Rapids, Mich.-based chain. Mort Finkelstein, president, will refund the difference in cash if a better price is brought to the chain's attention. Finkelstein, like many of the sporting goods chain executives, claims never to be beaten on price but denies a discounter characterization.

"Our policy is never being undersold but I don't like the term discounter. It connotes an offering of inferior quality. There's an idea of cheapness, down and dirty, that goes along with it, although it's true that everyone discounts merchandise," he said.

Michigan, along with Brendamour's of Ohio and Irving Sports in Virginia, will not be expanding traditional operations this year although Irving Sports will be opening a new factory outlet-type store next April.

Located in Dale City, Va., the 19,300-sq.-ft. store will be more sharply priced than the conventional Irving unit and feature selected closeouts. Tenants in the mall include numerous apparel manufacturer outlet centers, so the chain will concentrate primarily on hard lines merchandise, according to Ralph Rubin, vice president for the chain.

Currently, there are 13 Irving Sports stores divided among enclosed malls and strip centers. The units are about 3,000 sq. ft., making the outlet venture equivalent to six new store openings, noted Rubin. The chain also operates four Athletic Shoe Box stores.

Sunset Sports, which has been operating a similar division since 1980, has decided to phase it out entirely. The 11 factory liquidation outlets, closing next year, account for 1% of the chain's total volume.

The 38-unit Sunset chain, opening two new units this year, has been working on the installation of its first POS inventory management system, recently set chainwide.

The system, which will help maintain an improved in-stock position and spot early consumer buying trends, will be in operation by the end of the year.

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Pay'n Save Mulls $357.2M Offer

SEATTLE — Pay'n Save shareholders at presstime were expected to accept a sweetened $357.2 million cash offer from The Trump Group for the billion-dollar retailer, which resulted from efforts by two dissident stockholders to recoup as close to $70 million as possible for their 18.4% interest.

The Trump Group, a privately held New York retailing and real estate company, in a complex deal through a series of affiliates, has offered $23.50 a share for Pay'n Save's outstanding 14,975,002 shares, a $1 more than its original offer.

The higher price resulted from negotiations between The Trump Group and the two dissident shareholders, Pay'n Save executive vice president and director Stuart M. Sloan and his father-in-law, director Samuel N. Stroum.

The deal calls for The Trump Group to pay $3.3 million (along with $900,000 in reimbursement of fees and expenses) for an option to acquire the 2,799,014 shares owned by the Sloan/Stroum group and to raise the offering price for all the Pay'n Save shares to $23.50.

The Sloan/Stroum group will obtain $65,306,829 for their shares when The Trump Group offering is completed; along with the option, the Sloan/Stroum group will obtain a total of $68,606,829 for their shares.

That sum is close to the approximately $70 million that was the value placed on the 2,799,014 Pay'n Save shares the Sloan/Stroum group got when they sold privately held Schuck's Auto Supply to the retailer late last year. But, when the shares were actually issued on Jan. 27, they had a quoted value in the over-the-counter market of only $56,680,034.

The Sloan/Stroum shares aren't part of the minimum of eight million shares (or about 52.5% of Pay'n Save's stock) that The Trump Group has set as the minimum it would have to obtain under the tender offer to

(Continued on page 135)

Videotape rentals have actually become more economical than going to the movies, as discount and specialty chains, like Tower Records, New York, begin to sweeten the deals by offering two-for-one midweek bargains. *(DSN photo)*

Discounters Offering Prerecorded Video Tapes

Chain	Sales	Rentals
K mart	✓	—
Wal-Mart	✓	✓
Target	✓	—
Bradlees	✓	—
Hills	✓	—
Meijer's	✓	✓
Thrifty Acres	—	✓
Fred Meyer	✓	—
Roses	✓	✓
Venture	✓	✓
Payless	✓	—
Murphy's Mart	✓	—
Jefferson Ward	✓	✓
Jamesway	✓	—
Pamida	✓	—
Richway	✓	—

Prerecorded Video Tape Market Attracts Full-line Discounters

By LARRY CARLAT

On the heels of the recent VCR sales explosion, discounters now have their eye on the $500 million-plus home video cassette market.

Related story, p. 26.

The category, projected to grow 500% within the next five years has, until recently, been the exclusive domain of independent video specialty outlets. Now, at least a dozen discounters will be experimenting with rack-jobber test programs in the near future.

Like its hardware counterparts, now being mass-merchandised nationwide, the segment epitomizes many chains' youth-oriented, lifestyle thrusts into the market. Chain buyers also say the software will definitely motivate VCR sales and stimulate traffic.

However, the jury is still out on whether a viable profit can be made on the low-margin, so far low-volume category.

Currently, discounters are experimenting with home video tapes, courtesy of record rack jobbers, who simply made them an offer they couldn't refuse.

"There's no risk. We can test it for the cost of 5 ft. of selling space. If it doesn't move, the jobber will take it back, 100% guaranteed," said Gary Church, buyer for Roses. Chains are tending to work with

(Continued on page 142)

House-Passed 'Counterfeit' Bill Seen Less Harmful to Chains

WASHINGTON — New Federal product counterfeiting legislation addressing most of the discount store industry's concerns sailed through the House late last month and appeared headed for a final Congressional showdown at presstime.

Although the House-passed measure retains controversial *ex parte* no-warning search and seizure provisions which may be used as an anticompetitive weapon against price-cutting retailers, discount industry Washington lobbyists consider the bill a vast improvement over earlier versions.

The House legislation "addresses many of the concerns AGMC has raised" during repeated Congressional appearances over the past two years, Association of General Merchandise Chains president Edward T. Borda said.

(Continued on page 140)

Chains Begin to Tap Rentals

Nationwide DSN Report

Discounters are beginning to exploit what many feel will be the most lucrative future of the home-video-tape segment—rentals.

VCR households are expected to nearly double to 25 million units in the next two years, and retailers will be looking at software rentals for big profits.

With Wal-Mart in four stores, Fred Meyer in nine, Meijer in six, and Payless and

(Continued on page 142)

IN BRIEF

- **PETER HARRIS HAS RE**signed as president of Gemco, Lucky Stores' discount chain division, "to pursue other interests." At presstime no successor had been appointed. Larry Del Santo, Lucky's senior vp of specialty retailing, is acting as Gemco president.
- **AMES WILL INVADE** Richmond for the first time on Oct. 18.
- **HUEY J. WILSON, AS EX**pected, was elected president of H. J. Wilson by the cataloger's board, succeeding Tracy J. Mandart Jr.
- **ARDAN HAS INVADED** the Greater Kansas City market with four showrooms: three are renamed Yale's stores, which were merged into the company earlier this year, and one is a new unit.

Buyers Sense Leveling in '85

Microwave Cookware Rising to Plateau?

By AL HELLER

Despite a sizzling 1984 performance—wherein most discounters expanded microwave cookware footage and are commonly toting up 20%-25% sales gains—buyers sense the category's growth curve will flatten next year.

Too much product in the marketplace may outstrip demand of a consumer franchise that's yet to materialize fully, they said. What's driving the healthy sales now is cooking experimentation by owners of microwave ovens. Future growth will be linked to new sales of ovens to first-time users, they said, and that's in question.

"Manufacturers are overworking the category, vying for sales that just may not be there," said Gemco buyer Tony Pooler. "As consumers become more sophisticated, it limits the category by challenging manufacturers to produce products that have tangible benefits."

Citing his best items as "those that provide a truly unique microwave function" such as bacon sizzlers, turntables and crispers, he said the rest of the category's cooking vessels can be replaced by more commonplace dishes, such as those by Corning.

Indeed, most buyers polled by *DSN* display broad Corning assortments, including several sku's designed specifically for microwave use, adjacent to their microwave cookware.

Yet, contends Cindi Ross, senior buyer for nonelectric housewares at Texas-based Edison Jewelers & Distributors, "consumers should've wised up four years ago [when microwave became popular] if they were inclined to substitute" (for microwave dishes). Coming off a 25% gain last year, she expects strong category growth through 1986 at least.

However, Murphy's Mart buyer George Gose cites a tie-in between Corning's multipurpose uses and consumer space constraints. "You can only fit so much in the kitchen. Corning has the items, but they don't advertise to full advantage," he said.

(Continued on page 51)

Digest

Oct. 8, 1984

HOUSEWARES SHOW

- **Optimistic discounters were** arriving at the NHMA's first October housewares show. See section, pp. 51-102.

APAA SHOW

- **Buyers will arrive at the** APAA show bullish but worried by a seeming lack of new products. See section, pp. 107-123.

Index

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Hardware	23
H&BA	45

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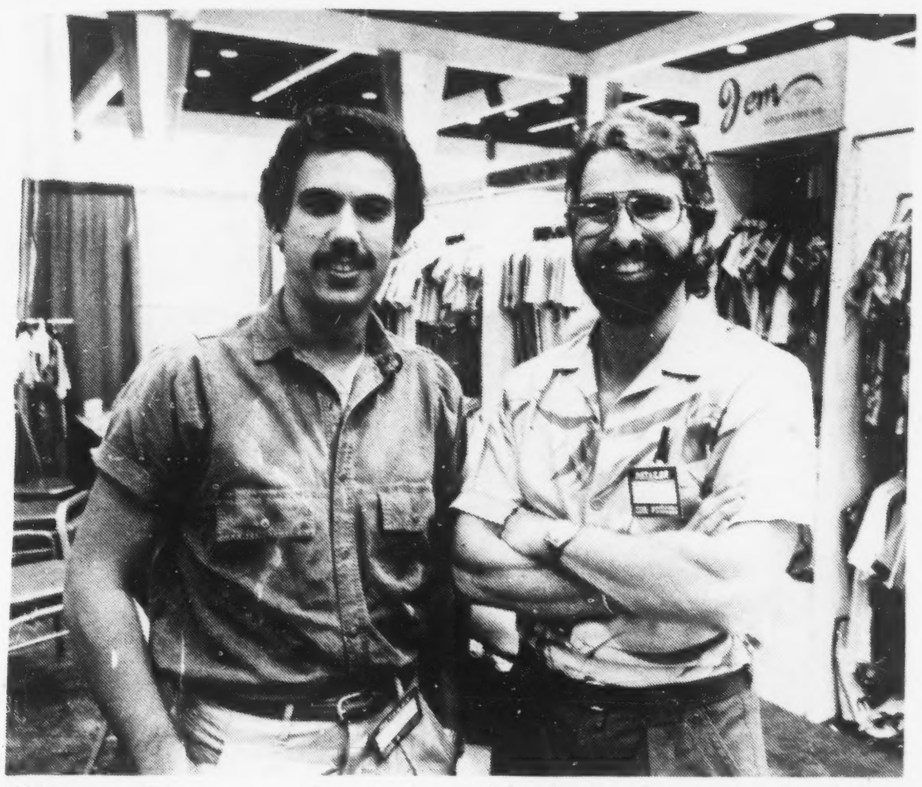


"Woven shirts are going to be a big factor for spring."—Steve Drexler, dmm (r.), with Jay Vestal, buyer, both of Gold Circle.

MAGIC Show Finds Discounters Higher On Fashion Potential

LOS ANGELES — This year's arrival of young men's apparel "shops" in discount stores has whet most chains' appetites for fashion items for men of all ages.

Buyers and merchandisers attending the Men's Apparel Guild in California (MAGIC) Show here were feeling a new confidence their chains can sell more fashion because of strong late August/early September sales of parachute pants for young men and pleated pants for more mature men.

See photos, p. 4.

Boys' wear buyers were also out in force to find looks vendors are duplicating or translating to smaller sizes. One discounter cited the lack of imported items in boys' as one reason for the increased presence of boys' wear at the show. Others remarked that sales of some supposedly young men's fashions like video-inspired looks and camouflage turned out to be stronger in boys' wear for back-to-school.

Most chains saw their biggest gains in boys' wear so far this year and expect that trend to continue.

For men's and boys', alarmingly bright neon colors, oversized woven shirts with giant pockets, large colorful prints in tops and shorts, madras shorts, shorts that double as swim trunks, almost any shorts at all, off-the-wall canvas pants, and pants with zippers, pockets and grommets were shown in abundance at the MAGIC Show.

"I'm looking for something I can sell all my customers, not only the 17- to 20-year-olds."—Steve Heller, buyer, Ames.

Discounters shopped the array with an eye for the salable as well as the newer fashion looks. How does one translate

(Continued on page 140)

CD Starts Same-Area, Same-Day Bows; Ties Older Units Into 1st-Day Promos

NEW YORK — Consumers Distributing (U.S.), now opening more than one showroom in the same market area at a time, is tying existing area stores into opening-day promotions for the first time.

This strategy was unveiled with the launching of two stores here. Six more stores are scheduled for opening in the New York Metropolitan Area before the year's end.

The two stores, in Jackson Heights, Queens, and Valley Stream, Long Island, are each expected to draw $4 million in sales in their first year, said Michael Haberman, executive vp and coo.

With the openings, CD also introduced several in-store changes designed to create more focus on jewelry and fashion goods. Jewelry showcases in the Jackson Heights store, for example, No. 25, double the amount in older stores. The 26 shadow boxes on the wall feature nonjewelry goods like giftware and glassware, with this fashion merchandise rotated periodically.

CD also added a new category to its mix—perfumes and fragrances—in line with its more fashion-conscious look. Although the items are not listed as a regular catalog entry, they are introduced on the first page of the catalog index as comprising the new "Fragrance Boutique."

The two-level Jackson Heights showroom measures 20,000 sq. ft., of which 2,800 sq. ft., or 14%, is display area. The Valley Stream store, also two-level, has 19,000 sq. ft. of which 3,200 sq. ft., or almost 17%, is display area.

(Continued on page 140)

Michael Haberman, exec vp, coo, Consumers Distributing, was at the opening of the Jackson Heights, N.Y., showroom, which offers an expanded jewelry department and a more fashion-oriented display of merchandise. *(DSN photo)*

For 75th Anniversary

Danners Recreating Its 1st Store

INDIANAPOLIS — In celebration of its upcoming 75th year anniversary, Danners is recreating its first store, a 5¢ and 10¢ variety store opened by Forest Wilbur Danner in 1910 in Cambridge City, Ind.

The 1910 Model Variety Store will be displayed in the Indiana State Museum in Indianapolis during the celebration, which will begin in January and continue throughout the year.

To duplicate that first store, Danners is searching for old merchandise, furniture and other items that would be located in a 5¢ and 10¢ variety store, and welcomes contributions from individuals and organizations.

Items found in the 1910 store included laces, china, glass, tops, marbles, hairbrushes, frying pans, women's clothes and sugar shakers.

In this 1910 photo, Forest Danner stands behind the counter ready to help a customer purchase lace or glass or handkerchiefs. A model of this first store, opened in 1910, will be on display in the Indiana Store Museum.

Full-line Discount Stores Again Lead Gen. Mdse. Retailers

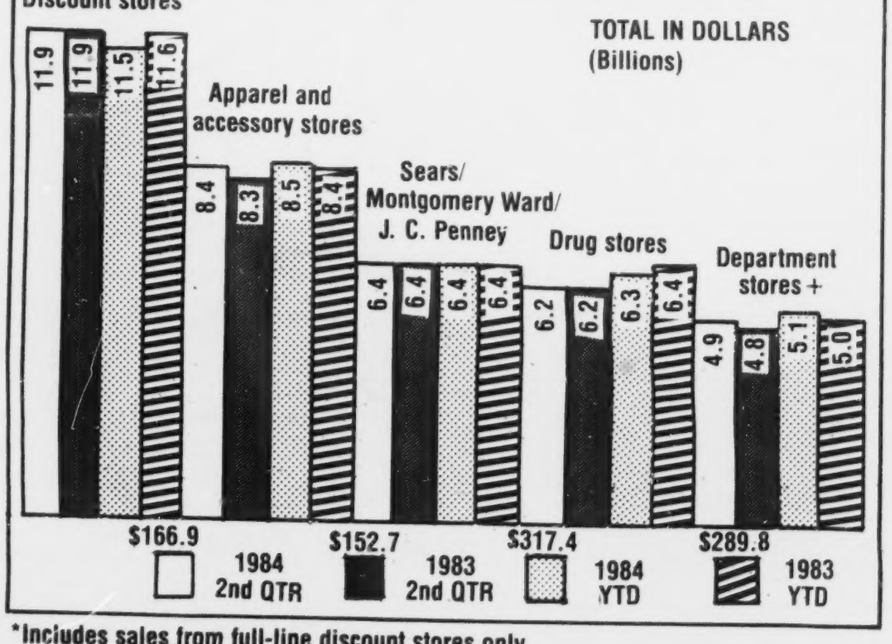
NEW YORK — Full-line discount stores continued to be the dominant general merchandise retailer during the first half of the year, a period in which total retail sales went up 9.5% to hit a record $317.4 billion, according to the L/F Retailer Sales Index.

While discounters accounted for 11.5% of total retailer sales during the first six months, that figure is down one percentage point from the industry's share in 1983, when the first half's volume was $289.8 billion.

On the separate L/F Index, which uses 1980 sales as the base (100), discounters showed a 8.7% increase from 135 to

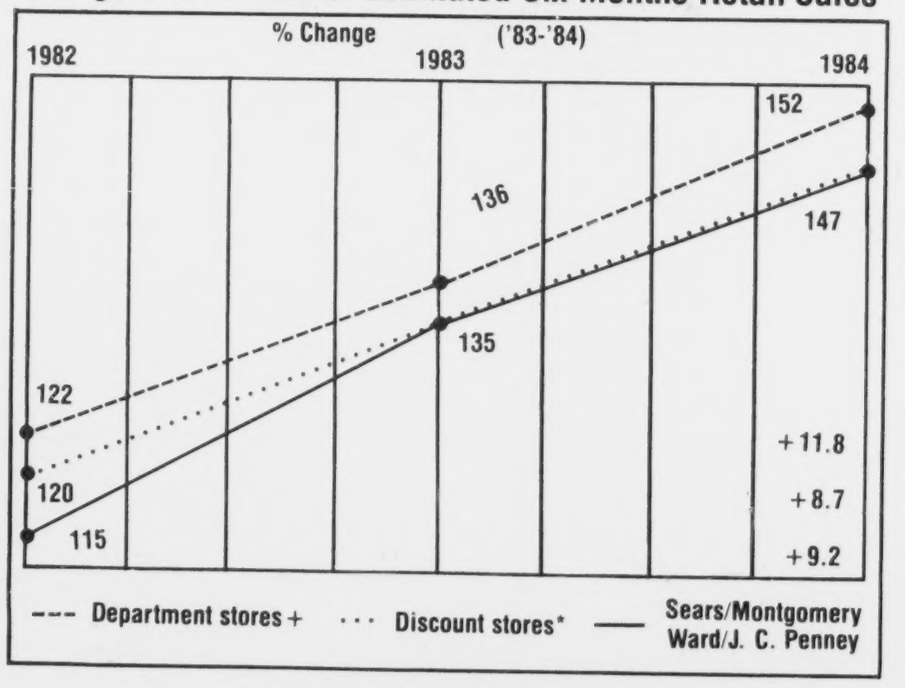
(Continued on page 5)

Percentage Shifts in Share of Total $ Retail Sales



*Includes sales from full-line discount stores only
+ Excludes full-line discount stores

Change in L/F Index of Estimated Six Months Retail Sales



Source: Lebhar-Friedman Research and Dept. of Commerce

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Vol. 23, No. 20 Oct. 8, 1984

Executive Changes

Jamesway and Prange Way Appoint Housewares Brass

Jamesway has announced several changes in its hard lines buying division: **BRIAN SCHIELS,** who joined the company in 1982 as an assistant housewares buyer, was promoted to buyer of housewares, plastics and cleaning aids. **DOREEN PANTE,** assistant buyer of appliances, was promoted to buyer of cookware, closet accessories and appliances. **JOHN SURICH** was promoted from assistant buyer trainee to assistant buyer of tabletop, lamps and giftware.

JAN ALLISON, formerly with Venture, has joined Prange Way as dmm, housewares and soft home.

K mart Apparel has promoted **GILBERT J. DeMARRAIS** to buyer, missy dresses, from associate buyer, domestic knit tops, and **LARRY J. HAFNER** to buyer, ladies, import outerwear, from ladies' and girls' apparel buyer, K mart International Services, Japan.

Gee Bee has announced the following promotions and appointments: **FRANK S. ROBISON** has been appointed merchandise coordinator for Dollar Bargain and Warehouse Outlet stores. **CHERYL FABINA** was promoted to buyer of uniforms and maternity for Glosser Bros. and Gee Bee. She has been with the company since 1975. **LUCILLE MENDELSON** has been promoted to buyer of family hosiery for Glosser Bros. and Gee Bee. She was formerly cosmetics buyer. **MARCIA SLISZ** has been promoted to cosmetics buyer for Glosser Bros.

Maricle

The Andersons has announced the following appointments in its Toledo general store: **MICHAEL MARICLE,** who joined the company in 1981, was appointed store manager. Previously, he held the positions of consumer and industrial controller and accounting manager. **DANIEL ANDERSON** was appointed operations manager after serving as plant superintendent. **BRUCE DOLGOFF** was appointed mm, housewares, food and wine. He had previously worked for Montgomery Ward. **ALVIN JOHNSON,** a 19-year employee, was named mm, lawn and garden and seasonal areas. **DALE THEIS,** who joined the company in 1979, was named mm, hardware, building supplies, farm and auto.

Anderson

Dolgoff

Johnson

Theis

Gaylords has appointed **GEORGE NG** buyer of toys. Previously, Ng was the toy buyer for Times Square Stores in New York. The company also appointed **JOSEPHINE HAIR** to buyer of girls' wear. She had been girls' wear buyer for Tanne Apparel.

THOMAS J. GALLIGAN III, has been elected senior vp, treasurer, cfo and a director of Morse Shoe. Prior to these appointments, Galligan was vp, finance and cfo of PepsiCo International. He succeeds **HENRY T. MANN,** who retired in August after 33 years with the company.

MICHAEL McGRATH has been promoted to Northeast regional manager for T. J. Maxx stores.

MARTIN SHERMAN, president of U.S. Shoe's retail development and special services division, has been elected a senior vp of the corporation. The division, which Sherman will continue to head, handles all U.S. Shoe's real estate activities, store planning and design. Since 1976 he has been responsible for the corporation's Concept specialty shoe stores, which now number 411. He joined U.S. Shoe in 1962.

Volume Shoe has promoted **JOHN K. HOCKER** to vp and director of corporate operations and **JAMES A. NELSON** to vp and director of physical distribution. Hocker joined the company in 1978 and was formerly the regional director of store operation's Atlanta region. Nelson previously served as director of the company's Topeka-based distribution center.

Gen. Mdse.

(Continued from page 2)

147. Conventional department stores showed the largest gain among general merchandise retailers, up 11.8% from 136 to 152.

The L/F Index was developed by Lebhar-Friedman, publisher of *Discount Store News*, and tracks sales of durable and nondurable goods, excluding auto sales. The index, which is reported quarterly, represents the net change in adjusted estimated quarterly retail sales.

Overall, the L/F Index for the six months showed a 9.5% increase from the same period last year.

The two charts shown focus on just general merchandise nondurable goods stores sales. They don't include volume in food stores, the other major component of the nondurable goods market, and volume in durable goods stores (hardware/home centers and furniture/home furnishings stores).

Food stores accounted for 42.7% of total retail sales in the first six months of this year, a slight drop from 1983, while the hardware/home center figure was also down—to 10.7%. Furniture/home furnishing stores were flat at 8.7%.

On the separate L/F Index, food stores were up 5.6% to 125; hardware/home centers gained 19.8% to 138 and furniture/home furnishings stores increased 16.1% to 134.

Seay Is Appointed Wal-Mart Director

BENTONVILLE, Ark. — William H. Seay, chairman and ceo of Southwestern Life Insurance, Dallas, was appointed to Wal-Mart's board of directors.

Seay also serves as a director of Interfirst Corporation, National Gypsum Company, A. H. Belo Corporation, Recognition Equipment, Texas Rangers Baseball Club and Texas Utilities Company.

Sam M. Walton, chairman and ceo of Wal-Mart, commented: "It is an honor to have Bill Seay join the Wal-Mart board of directors. Mr. Seay has an excellent record as a leader in business and civic work."

8 FL. OZ. (236 ml.)
premature aging and wrinkling of skin due to sun overexposure.
SPF 8
NIVEA
After Sun Lotion
A non-greasy skin conditioner
8 FL. OZ.

We're happy to report that Nivea® After Sun Lotion has a very short shelf life.

Nivea After Sun arrived on retailer's shelves early last spring. By mid July—when other After Sun Lotions were still on those shelves—most retailers were out of Nivea After Sun.

In its very first year, Nivea After Sun became America's best selling After Sun Lotion, increasing sales of the whole category 45 percent.*

We'd like to thank all the retailers who ordered Nivea After Sun for '84, and we suggest that, since your Beiersdorf rep will be calling on you soon, you order even more for '85.

And, if you *didn't* order Nivea After Sun in '84, don't similarly deprive yourself of profits in '85.

In '85, we'll support the brand even more aggressively: With national consumer advertising and promotions. Lucrative off-invoice allowances, advertising and display allowances. And counter and floor-stand displays.

This support will help move a lot of Nivea After Sun off your shelves fast—if you have a lot *on* your shelves to begin with.

Beiersdorf, Inc.

Call toll free 1-800-BDF-2340, in Connecticut 853-8008.

*Drug and Grocery Store Warehouse Withdrawal Auditing Services.

BDF ●●●● Beiersdorf Inc., Norwalk, CT 06856-5529 © 1984 Beiersdorf Inc.

HOUSEWARES SHOW

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
MICROWAVE				
1	P240BPS Corning Grab-A-Meal, bulk pack	2,844	8.55	24,316.20
2	P150BPS Corning Grab-It (1)	305	6.53	20,210.35
3	499 Microette corn popper, 3.5 qt	732	7.19	5,263.08
4	PM469T1 A/H mcr bn rck, 12x10"	744	6.92	5,148.48
5	MW-2 Corning brwning grill	102	34.19	3,487.38
6	M400126 A/H mcr pppr/stm/rster	252	12.59	3,172.68
7	MC-6 Corning divided microwave dish	153	20.24	3,096.72
8	P-150 Corning Grab-It set, (2), white	231	13.04	3,012.24
9	63204 Nordic mc, bn/meat rk	360	8.09	2,912.40
10	62304 Nordic Micro-Go-Round	54	50.39	2,721.06
PLASTICS				
1	1024 Clipper spray botl-all purp, qrt	4,500	1.79	8,055.00
2	2757 Superseal 2-qt decanter, clear	3,341	1.97	6,581.77
3	364 Loma 32-gal garbage can, green	592	10.79	6,387.68
4	4636 Superseal travl bwl, 4 sqr, 1.5 pt	550	8.09	5,339.40
5	1048 Clipper spray botl-11 purp, pint	3,696	1.43	5,285.28
6	4632 Superseal travl bwl, 4 rnd, 1.5 pt	650	8.09	5,258.50
7	24-Q3 Bes-pak plas frz cont (3)	2,676	1.61	4,308.36
8	360 Arrow popsicle mkr 8-cav w/dsp	2,064	2.06	4,251.84
9	109 Arrow Rainbow tumblers, 16 oz	5,904	0.71	4,191.84
10	24-PH4 Bes-pak plas frz cont, 1.5 pt (4)	2,496	1.61	4,018.56

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
CLEANING/CHEMICALS				
1	137-72 Lola Exten-A-Puff 6-ft pole	1,200	7.19	8,628.00
2	137-73 Lola Exten-A-Squeegee 6-ft pole	1,074	7.19	7,722.06
3	044 Quickie Handy squeeze mop	1,230	6.11	7,515.30
4	412GT Willert T/Bowl fresh deod tree	10,584	0.62	6,562.08
5	805-6 Quickie 100% corn brm w/hook	1,104	5.66	6,248.64
6	2000 White wrngr for 20-400Z mops	100	49.49	4,949.00
7	VIP20 White plstc bckt, 26-qt, w/castr	120	39.59	4,750.80
8	705-6 Quickie Poly-Fiber broom	810	5.21	4,220.10
9	N-1212 Ideal Squeegee 24", wood hndl	1,800	2.24	4,032.00
10	1000 White wrngr for 8-16-oz mops	83	45.89	3,808.87
BATH				
1	1107 Grayline king-size shwr caddy	2,268	5.12	11,612.16
2	C-441 Selfix shampoo spray	2,111	2.24	4,728.64
3	1101 Grayline shower caddy	1,296	3.14	4,069.44
4	443 Selfix Port wall/hand shwr	268	10.52	2,819.36
5	3300PM Borg scale, square, almnd	128	16.19	2,072.32
6	3306PM Borg scale, wicker, brown	94	18.89	1,775.66
7	3300PM Borg scale, square, brown	107	16.19	1,732.33
8	999-03 Excell shwr crtn lnr w/mg, clr	532	3.05	1,622.60
9	7204PM Borg scale, "Pig"	64	23.39	1,496.96
10	3306PM Borg scale, wicker, natural	78	18.89	1,473.42

(Continued on page 60)

Schaper A Game Toy
Don't Spill The Beans
A PRE SCHOOL GAME TOY FOR 2 OR MORE PLAYERS
340
Schaper A Game Toy
STADIUM CHECKERS
A FAVORITE FAMILY GAME FOR 2 TO 4 PLAYERS
294
Schaper A Game Toy
Cootie
The ORIGINAL! A PRE-SCHOOL GAME FOR 2 OR MORE PLAYERS
200
Schaper A Game Toy
Oh Chute!
A Great Family Game With Surprises For 2 Players
224
Schaper A Game Toy
Ants In The Pants
A Pre-School Game Toy For 2 to 4 Players
OR YOU CAN PLAY ALONE
404
Schaper Games Have A New Look
Cootie has a new face, and so do all the other Schaper games. New packaging that's bright and inviting to your customers means greater shelf impact and higher turnover. The family look will enable you to attract even greater attention to a Schaper games section.
We've dressed up our old favorites and added a fun new game called "OH CHUTE" that's not to be missed. And with this new packaging it won't be! For a look designed to sell--look to Schaper's family of games.
Schaper
1984 Schaper Manufacturing Company
A Division of Kusan Inc

Economy Is Seen Hiking Coast Sales

By JERRY FALK
Executive Vice President, Bacar Inc.

Continuing the volume upsurge begun in mid-1983, we anticipate housewares sales in our five-state Western region to grow nearly 20% in 1984. Strength should be evident in nearly all categories, which we'd say is due to the rise in the economy.

Our region suffered less during the recession, and is coming back faster than most parts of the country because our local economy is driven largely by the computer industry.

Notably, the Los Angeles Olympic Games affected discounters adversely. I can't think of a single Olympic-licensed product we sold. Residents stayed away from stores fearing crowds, and all the visitors were too busy attending the Olympics to shop area retailers. The event, as major as it was, had no measurably positive impact on housewares sales.

Compared with earlier in the year, when delivery problems were commonplace, manufacturers are now willing to put some inventory in the pipeline. Retailers are forecasting fur-

(Continued on page 60)

Appliance Makers Have Biggest July

CHICAGO — More than 3.2 million appliances were shipped in July 1984, which beat the previous July high set in 1973 by more than 200,000 units, reported the Association of Home Appliance Manufacturers (AHAM).

Also, total July shipments were 20.3% higher than the same month last year.

Total year-to-date shipments exceeded 23.4 million units, a 7.8% increase, or 1.7 million units more than total shipments for the comparable 1973 period.

Paul Roman, AHAM vp, marketing and international trade, commented, "If shipment for the remaining five months continue at a level comparable to last year's 14.2 million units, the 1973 record of 35.8 million units will be shattered."

As compared to July 1983, this year's July shipment of dishwashers was up 48.3%, microwave ovens increased 44.5% and clothes dryers increased 36.9%.

AHAM attributed high shipment levels to improved consumer confidence in the economy and new housing construction coupled with strong replacement demand.

This demand is expected to continue during the next several years as consumers replace the almost 300 million major household appliances purchased during the 1960's and early 1970's.

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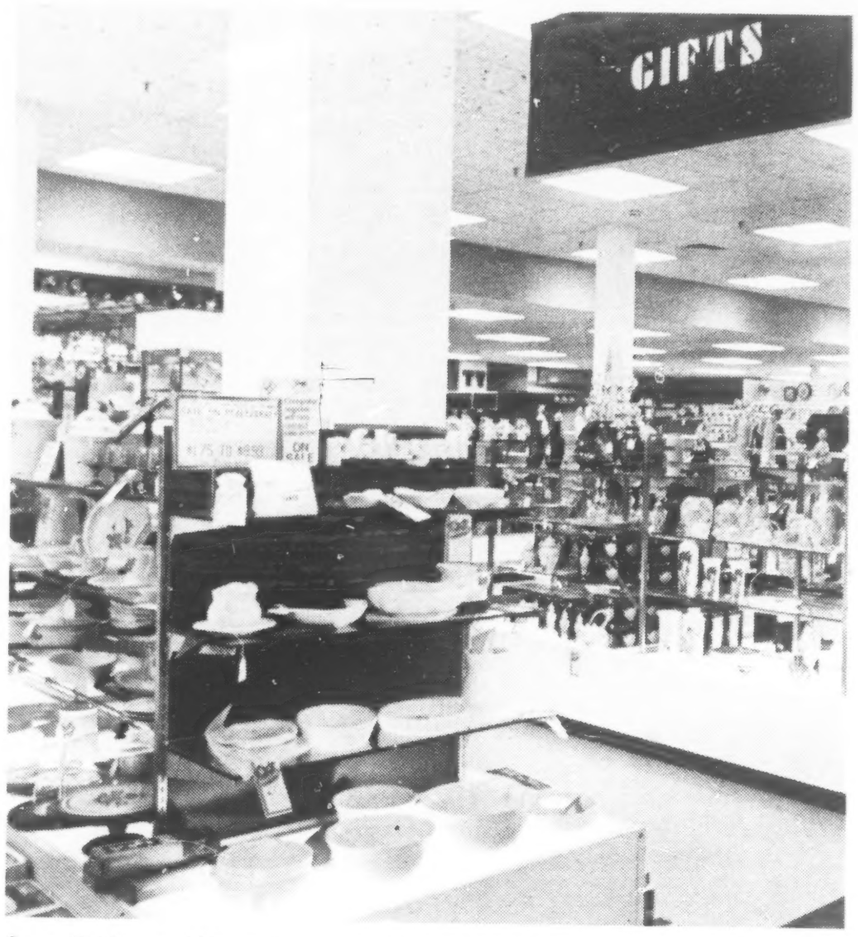
HOUSEWARES SHOW



Ann & Hope, Watertown, Mass., leads off main aisle giftware display with highly identifiable brands such as Pfaltzgraff, on sale at $1.75-$8.99, and Dansk. Overhead signs further classify housewares. *(DSN photo)*

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	COOKWARE			
1	0707 G/H "Granite" Cnr w/rk, 21 qt	744	19.34	14,388.96
2	26030 W/E Pref Slv 10" chef fry pan	894	12.41	11,094.54
3	312/C Normdy corn pot, 12 qt, cvrd, alm	876	10.79	9,542.04
4	26032 W/E Pref Slv, 12" chef fry pan	360	14.39	5,180.40
5	64110 Ekco B/S lrg cookie sheet, 17x11	1,176	4.40	5,174.40
6	26028 W/E Pref Slv, 8" chef fr pn	516	9.89	5,103.24
7	2209-20 Foley percolator, 9 cup	672	7.19	4,831.40
8	E-130 T-Fal 12" fr pn earthtone (10)	343	13.49	4,627.07
9	46996 W/E 5-piece Slv Chf set, premium	87	51.29	4,462.23
10	E-126 T-Fal 10" fr pn, earthtone (10)	361	11.69	4,220.09
11	10SK2T Lodge c/iron skillet, 12"	324	12.59	4,079.16
12	7SK2 Lodge c/iron skillet, 10"	564	7.19	4,055.16
13	2214-20 Foley percolator, 14 cup	428	9.35	4,001.80
14	64330 Ekco B/S oblong util pn, 13x9	876	3.95	3,460.20
15	14SK2 Lodge c/iron skillet, 15"	142	24.29	3,449.18
	CLOSET			
1	4000 McMillan 1-piece wr shoe rck	1,224	3.58	4,381.92
2	133 Itex tubular plstc hngr, almond	19,440	0.17	3,304.80
3	133 Itex tubular plstc hngr, white	17,712	0.17	3,011.04
4	133 Itex tubular plstc hngr, brown	14,688	0.17	2,496.96
5	W2110 Corr/Pak storage chest, wood	1,176	1.61	1,893.36
6	HWH-06 Bev wire drip/dry hngr, st 6	2,578	0.71	1,830.38
7	11006 Sterilite shoe box, almnd, lid	924	1.79	1,653.96
8	1500-6 Bev plstc dress hngr, cl, st 6	780	1.79	1,396.20
9	133 Itex tubular plstc hngr, rust	8,208	0.17	1,395.36
10	1541-3 Bev plstc suit hngr, cl set, 3	732	1.88	1,376.16
11	5600/5A Tamor Pk5 chld tubulars, asstd	1,008	1.25	1,260.00
12	67101BG I/P plstc multi/purp hngr, beige	828	1.34	1,109.52
13	1541-3 Bev plstc suit hngr, tr st, 6	579	1.88	1,088.52
14	1500-6 Bev plstc dress hngr, tr st, 6	600	1.79	1,074.00
15	74006 Sterilite jumbo box, almond, lid	186	5.75	1,069.50

(Continued on page 62)

PMA PRODUCT MOVEMENT AUDIT

Economy

(Continued from page 58)

ther ahead, they're setting up more ads and using more products in the ads through the coming Christmas selling season.

This combined effort, along with currently vibrant consumer sales, has discounters and suppliers optimistic about sales prospects through year's end—and no supply shortages are expected.

Reflecting our economy's strength, customers are upscaling here, though not extravagantly. They're still value-conscious.

That's why discounters are positioning themselves as price-competitive with catalogers, who until now have had pretty much a free ride on dinnerware and some other cate-

(Continued on page 62)

Introducing the new

First Alert® by PITTWAY®

AUTOSTAT™ Automatic Thermostat Control

- Easily attaches to existing round or rectangular thermostats.
- No wiring required.
- Brings new comfort, convenience, savings!

Now millions of home thermostats can be converted for automatic setback!

According to research, millions of people are now manually setting back their thermostats to save money — and waking up to icy cold homes. But thanks to AUTOSTAT,™ people can now stay comfortably warm in bed while AUTOSTAT adjusts the thermostat for them. And best of all, it's low cost and requires no wiring, so it's easy to install yourself!

Designed to add full setup/setback capabilities to your existing thermostat, the AUTOSTAT is a programmable solid state unit that easily installs without wiring, fits most all popular thermostats, and can control central air conditioning as well as heating.

AUTOSTAT raises and lowers the thermostat at programmed times (up to 4 changes daily) so the house stays warm when the family's up and about, but saves cool cash when they're away or sleeping. It even offers special weekend programming. Best of all, no one has to run, freezing, from a warm bed to the thermostat every morning to save money!

Sold under a one year warranty, the AUTOSTAT features user-friendly concealed pushbutton controls, quartz crystal clock, and handsome decorator design. Attractive 4-color packaging is suitable for shelf or pegboard display. Solid promotional support in the usual First Alert style includes a broadcast and print campaign, plus 4-color P.O.P. and pegboard merchandiser displays designed to really turn up the sales heat!

Model AS550 fits round

Model AS555 fits rectangular thermostats

First Alert® AUTOSTAT . . . so you don't have to suffer to save money!

Pittway Corporation • 780 McClure Road • Aurora, IL 60504

National Shoes Quintuples Net

HYDE PARK, Mass. — National Shoes, parent of lessee J. Baker, reported net earnings for the 26 weeks ended July 1984, of $8,745,000, or $3.90 per share, as compared to same-period earnings last year of $1,703,000, or 77¢ per share.

Net earnings from continuing operations for the first half of the fiscal year came to $2,293,000, or $1.02 per share, vs. $1,906,000 or 86¢ per share for the same period last year.

Improvement Reported

Sherman Baker, president, said: "At this time the company is in an extremely strong financial position. Its condition was recently improved further by a new financing agreement, confirmed with the Shawmut Bank of Boston, N.A. and Shawmut Worcester County Bank, N.A. This provides National Shoes with a $15,000,000 line of credit which includes a $5,000,000 revolving five-year term loan."

As of July 28, the company operated 331 licensed departments and the J. Baker merchandising division provided exclusive merchandising services and operational supervision for 212 additional departments.

Baker said that approximately 20 departments will be added this year, and 30 have already been scheduled for next year.

2nd-Qtr. Net Drops For Parent of Hills

COLUMBUS, Ohio — SCOA, the parent of Hills discount stores, reported income for the second quarter ended July 28, 1984 of $2.5 million, or 14¢ per share, compared with $3.8 million, or 20¢ per share during the same period in 1983.

Sales for the second quarter totaled $311.2 million, as compared to $269.4 million a year ago.

Income for the first half of the year came to $3.6 million, or 20¢ per share, compared with $3.4 million, or 18¢ per share, during last year's first six months.

Sales came to $595 million for the six months, as compared with $514.8 million a year ago.